

# TECHNICAL MEMORANDUM

## Utah Coal Regulatory Program

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March 24, 2010

TO: Internal File

FROM: Kevin Lundmark, Lead *KWL*

RE: Phase III Bond Release, Plateau Mining Corporation, Star Point Mine, C0070006,  
Task ID #3493

### SUMMARY:

On February 11, 2010 the Division received an application submitted by EarthFax Engineering, Inc. on behalf of Plateau Mining Corporation (PMC) for the Star Point Mine. The application requests modifications to the mining permit to reflect a change in post-mining land use from wildlife to industrial for 40-acres of the permit area, Phase II Bond release for an 8-acre parcel within the permit area, and a 40-acre reduction in the size of the permitted area. These modifications to the permit are sought to allow a sale of a 40-acre parcel to ConocoPhillips Company (COP) for oil and gas production.

The following deficiencies were identified during this review:

**R645-301-880.120** Please make the following corrections to the public notice:

- The wording of the first sentence should be revised to read "...for a reduction in the Permit Area and change in post-mining land use from wildlife to industrial for a 40-acre parcel and Phase III bond release for an 8-acre parcel associated with Permit C/007/0006."
- The approval date in the draft Public Notice requires correction. Permit C/007/0006 was most recently renewed January 28, 2007.
- The applicant address and ownership information in the draft Public Notice does not agree with Section 100 of the MRP, please either correct the Notice or submit corrected material for Section 100 of the MRP.
- In addition to the information included in the draft, the Public Notice must contain 1) the type and amount of the bond filed and the portion sought to be released, and 2) the type and appropriate dates of reclamation work performed and a description of the results achieved as they relate to the operator's approved reclamation plan.

Please submit copies of letters sent by the Operator to adjoining property owners, local governmental bodies, planning agencies, sewage and water treatment authorities, and water companies in the locality notifying them of the intention to seek bond release.

**R645-301-521.130** Map 112.500a should be corrected as follows:

- The map and legend include both (capital) “C” and (lower-case) “c” listings for “United States Government”; however, there is no description of how these entries differ. Please use either one letter or correct legend to identify how these owners differ.
- Property lines which are missing or terminate in the following areas should be added or corrected:
  - Sections 26 & 27, T 15 S, R 8 E (property line ends)
  - Sections 35 & 36, T 14 S, R 8 E (property line missing between “c” and “b”)
  - Sections 2 & 11, T 15 S, R 8 E (property line missing between “c” and “b”)
  - Section 11, T 15 S, R 8 E (property line missing between multiple “c” labels)
  - Section 14, T 15 S, R 8 E (property line missing between multiple “c” labels)

**R645-301-413** Please document that the 40-acre parcel may be re-zoned by Carbon County to a category for which oil and gas exploration and production are approved uses. This documentation should be included with Exhibit 412.200a.

**R645-301-413 and R645-301-731** Please address how the change in postmining land use will not result in water pollution (including but not limited to suspended solids) from industrial activities to be performed at the 40-acre COP parcel.

**TECHNICAL ANALYSIS:**

**GENERAL CONTENTS**

**PUBLIC NOTICE AND COMMENT**

Regulatory References: 30 CFR 778.21; 30 CFR 773.13; R645-300-120; R645-301-117.200; R645-301-880.

**Analysis:**

A copy of a draft Public Notice was included with the submittal. The Public Notice will be published in the Sun Advocate at weekly intervals for four consecutive weeks after the permit modification application is deemed to be administratively complete by the Division. In accordance with R645-301-117.200, an affidavit of the public notice must be included in the application upon final approval.

The application package does not contain any letters to adjoining property owners, local governmental bodies, planning agencies, sewage and water treatment authorities, and water companies in the locality notifying them of the intention to seek bond release.

**Findings:**

The information provided does not meet the public notice requirements of the Regulations. The following deficiencies were identified:

**R645-301-880.120** Please make the following corrections to the public notice:

- The wording of the first sentence is misleading due to the different areas associated with the proposed change in post-mining land use and permit area boundary (40 acres) compared to the proposed Phase II bond release (8 acres). The wording of the first sentence should be revised to read "...for a reduction in the Permit Area and change in post-mining land use from wildlife to industrial for a 40-acre parcel and Phase III bond release for an 8-acre parcel associated with Permit C/007/0006."
- The approval date in the draft Public Notice requires correction. Permit C/007/0006 was most recently renewed January 28, 2007.
- The applicant address and ownership information in the draft Public Notice does not agree with Section 100 of the MRP.
- In addition to the information included in the draft, the Public Notice must contain 1) the type and amount of the bond filed and the portion sought to be released, and 2) the type and appropriate dates of reclamation work performed and a description of the results achieved as they relate to the operator's approved reclamation plan.

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Please submit copies of letters sent by the Operator to adjoining property owners, local governmental bodies, planning agencies, sewage and water treatment authorities, and water companies in the locality notifying them of the intention to seek bond release.

## **ENVIRONMENTAL RESOURCE INFORMATION**

### **HYDROLOGIC RESOURCE INFORMATION**

Regulatory Reference: 30 CFR Sec. 701.5, 784.14; R645-100-200, -301-724.

#### **Analysis:**

Industrial activities (i.e., oil and gas exploration and development) to be performed in the COP purchase option parcel have the potential to affect surface water quality within reclamation diversion SPRD-31 and Sage Brush Creek.

#### **Probable Hydrologic Consequences Determination**

Potential impacts to surface water quality due to industrial activities to be performed in the COP purchase option parcel include increased suspended solids and contamination by oil and grease. Contamination of surface water resulting from surface disturbance within Sage Brush Creek is described as a potential impact by the Probable Hydrologic Consequences (PHC) Determination in the MRP, and total suspended solids and oil and grease are included as parameters in the surface water monitoring program for the site. A new or updated PHC is therefore not required for this permit revision. Discussion of measures to be taken to minimize potential contamination of surface water by suspended solids from the industrial land use is provided in the Postmining Land Use and Hydrologic Reclamation Plan sections, below.

#### **Surface-Water Monitoring Plan**

Diversion SPRD-31 discharges to Sage Brush Canyon upstream of reclamation surface water monitoring location 10-1. Location 10-1 provides surface water quality data to monitor effects of reclamation efforts on the surface water system. The reclamation surface water monitoring program described in MRP Exhibit 728h identifies that surface water monitoring at two locations (including 10-1) will continue through Phase II Bond Release to monitor suspended solids concentrations. Phase II Bond Release was approved June 2008; however, PMC has continued monitoring surface water and has not submitted a permit change to reduce water monitoring requirements. The Operator has indicated that a permit change application is being prepared to reduce water monitoring requirements.

The transfer of the 40-acre parcel to COP will not affect the Operator's ability to satisfy surface water monitoring program required by the MRP.

**Findings:**

The materials submitted meet the minimum requirements of the Regulations.

**MAPS, PLANS, AND CROSS SECTIONS OF RESOURCE INFORMATION**

Regulatory Reference: 30 CFR 783.24, 783.25; R645-301-323, -301-411, -301-521, -301-622, -301-722, -301-731.

**Analysis:**

**Permit Area Boundary Maps**

The revised permit boundary reflecting the COP purchase option is shown in Map 112.500 – Surface Ownership and Official Permit Boundary Map.

**Surface and Subsurface Ownership Maps**

Surface ownership information is provided in Map 112.500a – Surface Ownership and Official Permit Boundary Map, which has been updated to reflect the COP purchase option. This map identifies Federal, State, and private landowners in the permit area and adjacent areas.

**Findings:**

The materials submitted do not meet the minimum requirements of the Regulations.

**R645-301-521.130** Land ownership maps will clearly show all boundaries of lands and names of owners included in or contiguous to the permit area. Map 112.500a – Surface Ownership and Official Permit Boundary Map must be corrected as follows:

- The map and legend include both (capital) "C" and (lower-case) "c" listings for "United States Government"; however, there is no description of how these entries differ. Please use either one letter or correct legend to identify how these owners differ.
- Property lines which are missing or terminate in the following areas must be added or corrected:
  - Sections 26 & 27, T 15 S, R 8 E (property line ends)
  - Sections 35 & 36, T 14 S, R 8 E (property line missing between "c" and "b")
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## RECLAMATION PLAN

### POSTMINING LAND USES

Regulatory Reference: 30 CFR Sec. 784.15, 784.200, 785.16, 817.133; R645-301-412, -301-413, -301-414, -302-270, -302-271, -302-272, -302-273, -302-274, -302-275.

#### Analysis:

PMC has proposed a modification of the postmining land use from the premining land use of wildlife to an alternative postmining land use of industrial to allow the sale of a 40-acre parcel to COP for oil and gas development within the Drunkards Wash Unit. In accordance with R645-301-413, alternative postmining land uses may be approved if they meet the following criteria:

- There is a reasonable likelihood for achievement of the use;
- The use does not present any actual or probable hazard to the to public health or safety, or threat to water diminution or pollution; and
- The use will not be impractical or unreasonable, be inconsistent with applicable land-use policies or plans, involve unreasonable delay in implementation, or cause or contribute to violation of federal, Utah, or local law.

The proposed modification of postmining land use is evaluated against these criteria below.

#### **There is a reasonable likelihood for achievement of the use**

BLM approved the Drunkards Wash Unit on December 28, 1990 for the production of gas including, but not limited to, coal bed methane. This unit encompasses approximately 94,000 acres within Carbon and Emery counties. There are multiple producing wells adjacent to the permit area. PMC applied for and received approval for a change in postmining land use and permit boundary for the development of two wells by Phillips Petroleum in Section 8 Township 15S Range 8E in 2002.

According to the Carbon County interactive ownership map, the 40-acre parcel described by the COP purchase option is zoned WS (watershed). Oil and gas exploration and production are not approved uses for this zone. The permit application does not contain copies of correspondence or notice from Carbon County that the zoning for the 40-acre COP parcel may be modified to allow for oil and gas exploration and production. Exhibit 412.200a of the MRP includes a Conditional Use Permit from Carbon County for the two

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well pads covered by the 2002 permit modification. This letter does not apply to the current parcel.

**The use does not present any actual or probable hazard to the to public health or safety, or threat to water diminution or pollution**

It will be necessary to construct the site to meet all federal, Utah, and local safety standards. This area will still be subject to requirements of the Clean Water Act. As described in the Hydrologic Information section below, the 40-acre COP parcel covers multiple reclamation watersheds, and drainage from this area would report to the main reclamation channel. The Operator has not addressed whether the change in postmining land use may result in water pollution, including but not limited to suspended solids generated by construction or industrial activities to be performed at the 40-acre COP parcel.

**The use will not be impractical or unreasonable, be inconsistent with applicable land-use policies or plans, involve unreasonable delay in implementation, or cause or contribute to violation of federal, Utah, or local law**

As described above, the 40-acre COP purchase option parcel is within the Drunkards Wash Unit, which is approved by the BLM for oil and gas development. The current Carbon County zoning for 40-acre COP purchase option does not allow oil and gas development, therefore the proposed alternative postmining land use violates the Carbon County Development Code.

**Findings:**

The materials submitted do not meet the minimum requirements of the regulations. The following deficiencies must be addressed:

**R645-301-413** The following information is requested:

- Please document that the zoning of 40-acre parcel may be re-zoned by Carbon County to a category for which oil and gas exploration and production are approved uses. This documentation should be included with Exhibit 412.200a.
- Please address how the change in postmining land use will not result in water pollution (including but not limited to suspended solids) from industrial activities to be performed at the 40-acre COP parcel.

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## HYDROLOGIC INFORMATION

Regulatory Reference: 30 CFR Sec. 784.14, 784.29, 817.41, 817.42, 817.43, 817.45, 817.49, 817.56, 817.57; R645-301-512, -301-513, -301-514, -301-515, -301-532, -301-533, -301-542, -301-723, -301-724, -301-725, -301-726, -301-728, -301-729, -301-731, -301-733, -301-742, -301-743, -301-750, -301-751, -301-760, -301-761.

### Analysis:

#### Hydrologic Reclamation Plan

Prior to receiving Phase II Bond Release, the Operator ensured that all temporary structures had been removed and reclaimed. All reclamation water diversions meet the requirements of for permanent structures, have been maintained properly and meet the requirements of the approved reclamation plan for permanent structures and impoundments.

Reclamation watersheds and diversions associated with COP purchase option are shown in Maps 761a and 761c. The 40-acre COP purchase option parcel contains all or part of reclamation watersheds RWS-21, RWS-22, RWS-24, RWS-25a, RWS-25b, RWS-26, RWS-27, RWS-28 and RWS-31. These watersheds all eventually report to reclamation diversion SPRD-31, also referred to as the "main reclamation channel" in the MRP. Diversion SPRD-31 discharges to Sage Brush Canyon upstream of reclamation surface water monitoring location 10-1. Industrial activities (i.e., oil and gas exploration and development) to be performed in the COP purchase option parcel have the potential to affect surface water quality within reclamation diversion SPRD-31 and Sage Brush Creek.

As described above, a criterion for approval of an alternative postmining land use is that the use does not present any actual or probable threat of water diminution or pollution (R645-301-413.320).

### Findings:

The materials submitted do not meet the minimum requirements of the regulations. The following deficiency must be addressed:

**R645-301-731** Please address how the change in postmining land use will not result in water pollution (including but not limited to suspended solids) from industrial activities to be performed at the 40-acre COP parcel.



## **MAPS, PLANS, AND CROSS SECTIONS OF RECLAMATION OPERATIONS**

Regulatory Reference: 30 CFR Sec. 784.23; R645-301-323, -301-512, -301-521, -301-542, -301-632, -301-731.

### **Analysis:**

#### **Affected Area Boundary Maps**

Reclaimed areas are shown on Maps 542.200a and 542.200c.

#### **Certification Requirements.**

Maps included with this submittal have been certified by a Professional Engineer registered in the State of Utah.

### **Findings:**

The materials submitted meet the minimum regulatory requirements of this section.

### **RECOMMENDATIONS:**

Due to the deficiencies identified in this analysis, this proposal is not recommended for approval at this time.